



NSF International Strategic Registrations, Ltd.

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November 30, 2006

Mr. Jack Seifert
State Forester
Indiana Department of Natural Resources
402 W. Washington Street
Room W 296
Indianapolis, Indiana 46204

Subject: ATFS Group Certification Audit Report

Dear Mr. Seifert:

Congratulations, NSF-ISR has found that the Indiana Department of Natural Resources' administration of the Classified Forest Certified Group (CFCG) Program is in "Full Conformance" with the American Forest Foundation® (AFF) Standards of Sustainability and the American Tree Farm System® (ATFS) Standard Operating Procedures for Group Organizations and Managers (SOP-01).

This letter outlines the group certification audit process and summarizes the findings of the NSF-ISR Group Certification Audit. The specific audit findings and objective evidence of conformance are detailed in the attached AFF Standards Checklist, the SOP-01 Checklist, and Corrective Action Request (CAR) forms.

The NSF-ISR ATFS Group Certification Process began with an Audit Planning session conducted during the week of July 25-27, 2006. The Lead Auditor finalized the Audit Plan, selected potential field sites, made necessary arrangements, and initiated the Group Certification Audit. A Final Gap Analysis Report and Audit Plan was submitted to the Indiana DNR on August 28, 2006 and is part of the permanent record of the audit.

An ATFS Accredited Lead Auditor, Mr. R. Scott Berg, and an ATFS Inspector, Mr. Fred Hadley, conducted the NSF-ISR Group Certification Audit during the week of October 17-

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20, 2006. The field audit included thirty-five (35) field sites across twelve (12) counties and eight (8) DNR Districts. Approximately eight (8) landowners and eight (8) DNR District Foresters were interviewed. An additional twelve (12) interested parties were interviewed including: forestry consultants, representatives of woodland owner organizations, industry procurement foresters, the extension service and the State Tree Farm Committee. Inquiries were also made and messages left with half a dozen other conservation and environmental organizations. A list of the Districts, counties and landowners that were visited; along with the landowners and other interested parties that were interviewed, is contained in Appendix 1.

Based upon a thorough review and analysis, the Indiana DNR and Group Members fully demonstrated conformance with the AFF Standards of Sustainable Forestry. A detailed AFF Standards Audit Checklist documenting the objective evidence of conformance and findings is contained in Appendix 2.

The NSR-ISR Audit Team found that the family forest owners involved in the CFCG exceeded the basic requirements of the AFF Standards of Sustainable in a number of areas. Those areas of the AFF Standard where performance exceeded the basic requirements include: 1) all landowners have professionally prepared forest management plans that cover all aspects of the AFF Standards, 2) landowners consistently exceed regeneration and stocking guidelines, 3) DNR staff routinely provide information and local knowledge to landowners about the location and management of rare and unique species in the development of each management plan, 4) wildlife habitat is protected and enhanced, and 5) management plans and practices maintain and enhance habitat for target game and non-game species of plants and animals.

While the Indiana DNR and Group Members are in conformance with the relevant requirements, the Audit Team did identify a number of Opportunities for Improvement (OFIs). Opportunities for Improvement exist in the following areas: 1) improve logger and consultant BMP training, 2) improve forest owner compliance with the management plans, 3) more fully implement recommendations in the management plans, particularly those addressing invasive species, 4) increase compliance with water quality BMPs by landowners, consultants and loggers, 5) conduct pre-harvest orientation of the location of SMZs with the logger to identify the locations of watercourses and riparian zone widths, 6) encourage loggers to remove unmerchantable tops and debris from streams according to the State of Indiana BMPs, 7) document special sites on the management plans for future reference and knowledge of the landowner, and 8) work with the Natural Heritage Program in Indiana to gain access to databases containing information on rare species and communities so that District Foresters are in a position to provide relevant information to landowners.

The Indiana DNR has also demonstrated overall conformance with the Standard Operating Procedures for Group Organizations and Managers (SOP-01). A detailed Group Organization Audit Checklist containing the objective evidence of conformance and findings is contained in Appendix 3.

The Audit Team issued three Corrective Action Requests (CARs) at the Closing Meeting that are contained in Appendix 4. CAR-01 documented that at the time of the Closing Meeting of the field audit, the DNR had not yet: 1) notified the existing Group Members that they are

subject to all of the American Tree Farm System requirements, 2) made the AFF Standards of Sustainability accessible to Group Members, and 3) interpreted, appropriately applied and clearly explained the requirements of the AFF Standards to Group Members. A Corrective Action Plan was developed and approved by the Lead Auditor on November 30, 2006.

CAR-02 identified that the Indiana DNR had not yet documented the acceptance of new Group Members into the Classified Forest Certified Group as required by Section 4.5 of the SOP-01. A Corrective Action Plan was developed and approved on November 30, 2006.

CAR-03 identified that not all DNR foresters that would be conducting ongoing monitoring had completed the ATFS Inspector Training Course. Section 4.9 of SOP-01 requires that all inspectors conducting internal monitoring must have completed the inspector training. A Corrective Action Plan was developed and approved for this Minor Non-conformance on November 30, 2006.

The Indiana DNR exceeds the basic requirements of the Standard Operating Procedure for Group Organizations and Managers including the maintenance of comprehensive tract files and Management Plans on each Group Member, as required by Section 4.7.

An Opportunity for Improvement addressing Section 4.4 of SOP-01 is for the Procedures Manual to contain a procedure to define the eligibility requirements for Group Certification, in addition to those requirements for entry into the Classified Forest & Wildlands Program.

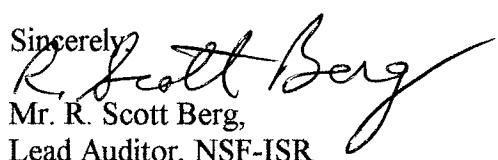
While administration of the Classified Forest Certified Group meets the requirements of SOP-01, an additional Opportunity for Improvement is for the Indiana DNR to document how it is going to effectively administer the Classified Forest Certified Group program in light of other initiatives and directives and with reduced staffing levels. Specifically, a number of outside interest groups that were interviewed expressed concerns that the DNR may not have sufficient resources and staff at the Districts and central office to effectively administer the Certified Group, while at the same time implementing the new Classified Forest & Wildlands Program. Standard Operating Procedure-01 for Group Organizations (Section 6.8) specifically requires the Group Manager to keep the Group Organization's program up-to-date and in ongoing conformance with the AFF Standards and SOP-01.

This Final Report is the sole property of the Indiana DNR and is intended to aid in understanding the findings of the independent audit process, as well as the requirements of the AFF Standard and SOP-01. This report can also be used for the purpose of improving forest management and program administration over time.

NSF-ISR would like to express its sincere appreciation for the support and participation of the Indiana DNR District Foresters and Indianapolis staff in the NSF-ISR Group Certification Audit Process. The Audit Team has a high level of respect for the professionalism of the DNR staff. We believe that the Indiana DNR Classified Forest Certified Group Program will help to broaden the practice of sustainable forestry among Indiana family forest owners.

If you or your staff have any questions about the above summary report and attached Group Certification Audit Checklists, please feel free to contact me at 904-277-4596.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Scott Berg".

Mr. R. Scott Berg,
Lead Auditor, NSF-ISR

cc: Mr. Fred Hadley, ATFS Group Certification Auditor
Mr. Mike Ferrucci, Sustainable Forestry Program Manager, NSF-ISR

Appendix 1

ATFS Group Member Tracts Visited & Interest Group Interviewees

Appendix 1

ATFS Group Certification Indiana DNR Classified Forest Certified Group List of Districts & Counties Visited, Group Member Tracts Visited & DNR Staff and Interest Groups Interviewed

South Audit Team (Scott Berg, Dan Ernst)

- I. District 5 (Greene County) (DNR Staff: Jeremiah Lemmons)
 1. Hubert & Will Tieman*
 2. Steve Ferguson
 3. Dick Tetrick

- II. District 16 (Gibson County, Posey County) (DNR Staff: Steve Marland)
 1. Phillip & Marla Scott*
 2. Maurice Berendes
 3. Paul Renitz
 4. Robert Rehenbacher (1)
 5. Robert Rehrenbacher (2)
 6. Linda Anderson

- III. District 9 (Harrison County) (DNR Staff: Mike Coggenshall)
 1. Delbert Creal*
 2. Bill Cook
 3. Bryan Kennedy
 4. Brown/Kalmey
 5. Elnora Shewmaker

- IV. District 6 (Jackson County) (DNR Staff: Rob McGriff)
 1. James & David Ray*
 2. Joe & Ann Weber*
 3. Greenfarms LLC

North Audit Team (Fred Hadley, Brenda Huter, Jack Seifert)

- V. District 13 (Henry & Franklin Counties) (DNR Staff: Jayson Waterman)
 1. Greg Hochstedler*
 2. Brian Good
 3. John Gibson
 4. Arthur Reynolds

VI. District 2 (Fulton & Kosciusko Counties) (DNR Staff: Tim Eizinger)

1. Norris
2. Paul Brucker
3. Norman Drudge
4. Irene Anderson
5. Read
6. Baxter

VII. District 13 (Clinton & Montgomery Counties) (DNR Staff: Lenny Farlee)

1. Harold Vice*
2. Ward Wilkens*
3. James Droste
4. A. Clauser
5. Ristene

VIII. District 4 (Putnam County) (DNR Staff: Allen Royer)

1. Mary Pauline
2. Bruce Serlin
3. M. Homestead

* Indicates landowner(s) interviewed

Outside Interest Groups Interviewed:

1. Larry Owens, Forestry Consultant
2. Bob Mayer, Forestry Consultant
3. Jim Steen, Pike Lumber Company
4. Bob Burke, State Tree Farm Committee Chair
5. Liz Jackson, Indiana Forest & Woodland Owners Association
6. Ray Moistner, Indiana Hardwood Lumbermen's Association
7. Lowell Miller, Indiana Forest Industries Council
8. Bill Hoover, Purdue University Extension
9. Pete Hanebutt, Farm Bureau
10. Ken Collins, Natural Resources Conservation Service
11. Bob Koenig, Forestry Consultant
12. Wade Wilkins, Portable Sawmill Owner

Appendix 2

AFF Standards Audit Checklist

APPENDIX 2

AFF STANDARDS AUDIT FINDING CHECKLIST

Group Organization's Name: Indiana Department of Natural Resources Certified Group

Certification Body's Name: NSF-ISR

Certification Body Auditor's Signature: Mr. Scott Berg & Fred Hadley

Date: November 30, 2006

NSF-ISR conducts American Tree Farm System Group Certifications using this Certification Checklist to record and document Objective Evidence and Findings for each AFF Performance Measure and Indicator. A narrative description of the Objective Evidence shall be provided to document what documents were reviewed, personnel interviewed, or field sites inspected. A check Mark (X) shall be indicated in the correct column indicating Conformance (Con), Exceed the Basic Requirements (Exc), Major Non-conformance (Maj), Minor Non-conformance (Min), and Opportunity for Improvement (OFI). Where a major or minor non-conformance is found, the Lead Auditor shall fully document the rationale for the nonconformity on a Corrective Action Request (CAR) form (CB-09).

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Standard 1: Ensuring Sustainable Forests The American Forest Foundation's (AFF) Standards of Sustainability promote the growing of renewable forest resources on private lands while protecting environmental benefits and increasing public understanding of all benefits of productive forestry.						
Performance Measure 1.1 Qualified forest owners must comply with AFF's Standards of Sustainability. American Tree Farm Systems (ATFS)'s volunteer network of accredited, qualified natural resource managers will conduct field verification of landowner conformance.	Inspected 35 Group Member field sites in 12 counties and management plans demonstrating that Group Members are complying with the AFF Standards of Sustainability.	X				
Indicator 1.1.1 An accredited Tree Farm Inspector must inspect qualified properties to assure conformance with AFF's standards of sustainability.	ATFS accredited lead auditor, Scott Berg, and ATFS Inspector Fred Hadley, conducted field verification of landowner conformance with the AFF Standards of sustainability.	X				

AFF Standard Requirements	Indicator 1.1.2 Tree Farm inspectors will audit certified properties every five years. Properties that fail to meet AFF's standards and guidelines will be decertified. [Landowners may seek reviews of decertification decisions through ATFS's formal dispute resolution process.]	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed) Standard 2: Compliance With Laws Forest management complies with all relevant federal, state, and local regulations and ordinances.	Performance Measure 2.1 Forest owners must comply with all relevant federal, state, county, and municipal laws and regulations.	Indicator 2.1.2 Landowner obtains advice from forestry consultants, public agency natural resource managers, or contractors who are trained in, and familiar with, applicable laws, regulations and published Best Management Practices for forestry.	Standard 3: Commitment to Practicing Sustainable Forestry Forest owners demonstrate their commitment to sustainability by developing and implementing a long-term forest management plan.	Performance Measure 3.1 Forest owners must have a written forest management plan consistent with the scale of forestry operations of the property.
		<p>NSF-ISR conducted a full certification audit of the Indiana DNR's Classified Forest Certified Group (CFCG) Program in October of 2006. The re-certification audit would be scheduled for 2011.</p>	<p>Interviewed 8 landowners, 8 IDNR District Foresters, and inspected 35 operations. No regulatory non-compliance issues were identified. A close working relationship between the DNR District Foresters and landowners assures continuing compliance with applicable requirements.</p>	<p>Interviewed landowners, foresters, and consultants. All enrolled landowners have a professionally prepared forest management plan and most regularly consult with DNR foresters, consultants, and fish and wildlife experts. Foresters recommend BMPs, which are described in current plans. Interviews indicated that Indiana loggers and consultants do not regularly attend BMP training. An Opportunity for Improvement (OFI) exists to improve logger and consultant training. The DNR has an opportunity to host training sessions for private professional foresters and loggers.</p>	<p>Inspections confirmed that all CFCG-enrolled landowners have a professionally prepared forest management plan. This level of plan preparations and performance exceeds the basic requirements of the AFF Standard!</p>	

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Indicator 3.1.1 Management plans include: title page; type of ownership (e.g., fee simple, limited partnership, etc.); owners goals appropriate to the management objectives; tract map noting stands and conditions, important features including special sites, and management recommendations that address wood and fiber production, wildlife habitat, owner-designated fish, wildlife and plant species if desired, environmental quality, and, if present and desired by the landowner, recreational opportunities.	Inspected management plans on all 35 sites visited. Management plans included all required elements. Some plans contain more information on wildlife management, riparian protections and in some cases recreational opportunities than others. An observation is that the structure of the forest management plans from different districts could be more consistent.	<input checked="" type="checkbox"/>				
Performance Measure 3.2 Forest owners assure management activities are conducted in accordance with the management plan.	Inspected management plans and completed practices on all 35 sites visited. Management activities generally follow management plans, with allowances for adjustments to meet landowner objectives. Implementation rates for mandatory practices are consistently high. An Opportunity for Improvement (OFI) exists to improve forest owner compliance with management plans. Management plans could differentiate between priority recommendations from those that may be considered advisory.			<input checked="" type="checkbox"/>		
Indicator 3.2.1 On-site visit, interviews, and records confirm management activities are being conducted in accordance with the plan.	Inspection of 35 field sites and management plans demonstrated that activities are generally conducted in accordance with the plan. An Opportunity for Improvement (OFI) exists to more fully implement recommendations in the management plans, particularly those addressing invasive species.			<input checked="" type="checkbox"/>		
	Standard 4: Reforestation Forest owners provide timely restocking of desirable species of trees, compatible with regional ecosystems on harvested areas and idle areas where tree-growing is the land use objective.					

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Performance Measure 4.1 Land is reforested with natural seeding, sprouting, direct seeding, or reforestation with tree seedlings.	All 35 site visits confirmed that enrolled lands are being adequately regenerated. Most participants rely on natural regeneration, which is reliable throughout Indiana on most sites. Timber Stand Improvement (TSI) was consistently prescribed following harvest to ensure favourable species composition and form. Planting success was very good to outstanding and exceeds the basic requirements of the Standard. Protective tubes were often used to protect seedlings from deer browse.	X				
Indicator 4.1.1 Harvested forest land must achieve satisfactory stocking levels reflecting the forest owner's management objectives, within five years after harvest, or within a time interval as specified by applicable regulation, whichever is shorter.	Inspection of harvested sites indicated that regeneration rates are consistently very high, although deer pressure on certain species was a concern on selected sites. Regeneration and stocking levels exceed the basic requirements of the Standard.	X				
Standard 5: Air, Water and Soil Protection Forestry practices maintain or enhance the environment, including air, water, soil, and site quality.						
Performance Measure 5.1 Forest owners must adhere to State Forestry Best Management Practices (BMPs) and comply with all relevant forest practices act(s) and ordinances.	Site inspections confirmed that BMP compliance rates generally high. However, an Opportunity for Improvement (OFI) exists to increase compliance with water quality BMPs by landowners, consultants and loggers. Interviews indicated that logger training addressing BMPs has declined in recent years. Contracts and bid invitations could be improved by specifying BMP requirements.	X				
Indicator 5.1.2 Landowner must minimize disturbances within riparian zones.	Field site inspections indicated that riparian zones receive good protection including limited use of equipment and minimizing stream crossing. An Opportunity for Improvement (OFI) is to conduct pre-harvest orientation of the location of SMZ with the logger to identify the locations of watercourses and riparian zone widths. Flagging or marking of riparian zones is a generally accepted practice in most other state BMP programs.	X				

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Indicator 5.1.3 On-site visit confirms that landowner is conducting management activities in accordance with BMPs and all relevant forest practices act (s) and ordinances.	On site visits confirmed generally high BMP compliance rates, as well as compliance with State of Indiana flood control requirements. However, in a number of instances, branches and tops were left within the SMZ. An Opportunity for Improvement (OFI) is to encourage loggers to remove unmerchantable tops and debris from streams according to the BMPs. One site where corrective action had been taken still contained tops and debris in the channel.			X		
Performance Measure 5.2 Application of forest chemicals must not exceed the levels necessary to achieve specific management objectives.	Interviews revealed that private landowners in the CFCG Program use chemicals infrequently. Where chemicals are used, they are applied to specific stems and not broadcast. Chemicals are used to control invasive species and unmerchantable trees.		X			
Indicator 5.2.1 Chemicals are applied only when necessary to meet specific management objectives.	Interviews revealed that private landowners in the CFCG Program use chemicals only when necessary and for specific management objectives.			X		
Indicator 5.2.2 Management plans consider integrated pest management as a preferred means of controlling insect pests, pathogens, and vegetative competition.	Inspection of Management Plans and field sites demonstrated that healthy, vigorous trees are generally retained, while less vigorous and deformed trees are removed. On the ground prescriptions resulted in healthy forests with few pests or pathogens observed.		X			
Indicator 5.2.3 Chemicals are applied in accordance with EPA-approved labels and meet or exceed all human health and environmental safety requirements on the label, and in local, state, and federal law.	Interviews revealed that private landowners in CFCG Program use chemicals very infrequently. When chemicals are commercially applied, they are applied under the guidance of certified and trained applicators.		X			
Performance Measure 5.3 Where prescribed fire is used, the forest owner must plan appropriately for its application.	Interviews with DNR Foresters confirmed that no prescribed burning is done on CFCG-enrolled lands. Some burning is conducted to as part of prairie grass maintenance. Thus, this requirement is not applicable (NA).		NA			
Indicator 5.3.1 Landowner affirms that if and when prescribed fire is used, it is conducted in accordance with the owner's management plan and with state and local laws and regulations.	Interviews and site inspections confirmed that fire is rarely employed as a management tool. No burned sites were inspected as part of the sub-sample. Thus, this requirement is not applicable (NA).		NA			

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)					OFI
		Con	Exc	Maj	Min	
Indicator 5.3.2 On-site visit confirms prescribed fires, if used, were conducted in accordance with the management plan and applicable laws and regulations.	Fire is rarely employed as a management tool. No burned sites were selected as part of the sample. Thus, this requirement is not applicable (NA).	NA				
Standard 6: Fish, Wildlife and Biodiversity Forest management activities contribute to the conservation of biodiversity and maintain or enhance habitat for native fish, wildlife, and plant species, with emphasis on natural plant and animal communities and rare plants and animals.		X				
Performance Measure 6.1 Landowners are encouraged to confer with their local natural resources agencies, state natural resource heritage programs, or other knowledgeable sources about rare species or species of concern that occur on their property.	Interviews indicated that DNR staff routinely provide information and local knowledge to landowners about the location and management of rare and unique species in the development of each management plan. Management plans describe the importance of management for rare, threatened, or endangered species. This level of performance exceeds the basic requirements of the AFF Standards.		X			
Indicator 6.1.1 Where practical, management plans consider and address opportunities to protect rare species and special habitat features.	Inspection of management plans demonstrates that special habitat features are routinely included. Interviews indicated that DNR District Foresters routinely recommend protecting rare plants and community types, as well as caves and other landscape features, to ensure that all species are maintained across the landscape. However, and Opportunity for Improvement (OFI) is to document these sites on the management plans for future reference and knowledge of the landowner.		X			
Indicator 6.1.2 The forest owner or forester responsible for developing the owner's management plan has made a reasonable effort to locate and secure information that denotes the location of rare species and species of concern. Appropriate sources of information include, but are not limited to county, state and federal agencies, university and extension programs and local knowledge.	Inspection of management plans indicated that DNR District Foresters regularly communicate their local knowledge to landowners. However, and Opportunity for Improvement (OFI) is to work with the Natural Heritage Program in Indiana to gain access to databases containing information on rare species and communities so that District Foresters are in a position to provide relevant information to landowners.		X			

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Performance Measure 6.2 Forest management activities must maintain or enhance habitat for owner's designated fish, wildlife, and plant species as identified in the management plan.	<p>Inspection of management plans on all 35 sites demonstrated that owner designated fish, wildlife and plants are protected and maintained. Interviews indicated that wildlife habitat is a primary concern of many forest landowners. Interviews with landowners and DNR foresters demonstrated that habitat protection and enhancement is a particular strength of the CFCG Program. This level of performance exceeds the basic requirements of the AFF Standards.</p> <p>Inspection of forest management plans and practices demonstrated that the landowners' target species (often deer, turkey, and/or grouse) are actively managed for and maintained. Management for game species is particularly well done. This level of performance exceeds the basic requirements of the AFF Standards.</p>	X	X			
Indicator 6.2.1 Forest management activities must maintain or improve habitat for owner's target game and non-game fish and wildlife species.			X			
Standard 7: Forest Aesthetics Forest management practices minimize negative visual impacts of forest activities						
Performance Measure 7.1 Landowners must manage their forest with concern for visual impacts, in a manner consistent with size and scale of their forestry operations.	Interviews and inspection of practices indicated that minimizing visual impacts is a routine part of timber sale design and implementation practices.		X			
Indicator 7.1.1 On tracts of significant visual exposure, management plans and forest operations may include: roadside buffers, access entry "dog-legs," limited harvests in certain areas, and adaptation of other visual management techniques.	Inspection of field sites demonstrated that adjusting the size, shape, location, and timing of harvests minimize the visual impacts of harvesting. Removing an average of 20% of the mature trees in each entry retains residual trees and reduces the apparent size of openings. Buffers are routinely left around residential structures.		X			
Standard 8: Protect Special Sites Special sites are managed in a way that recognizes their unique characteristics.						

AFT Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI
Performance Measure 8.1 Forest management practices must recognize historical, biological, archaeological, cultural, and geological sites of special interest.	Interviews confirmed that District Foresters emphasize special sites when working with landowners. Several management plans contained information of historical, biological and geological sites. However, an Opportunity for Improvement (OFI) is to designate such sites on tract maps for the future knowledge and reference.				X	
Indicator 8.1.1 Management plan and forest operations identify and manage special sites in a manner consistent with forest owner's objectives, the unique features of the site, and the size and scale of the property.	Interviews and inspections indicated where special sites were encountered (streams, rivers, ponds or wetlands), appropriate protection was provided. However, an Opportunity for Improvement (OFI) is to document the location of special sites on tract maps for future reference.			X		
Indicator 8.1.2 The forest owner or forester responsible for developing the owner's management plan must make reasonable effort to locate and secure information that denotes the location of rare species and species of concern. Appropriate sources of information include, but are not limited to county, state and federal agencies, university and extension programs and local knowledge.	Inspection of field sites and interviews with District Foresters indicated that the DNR foresters make reasonable efforts to protect rare species and species of concern. Many District Foresters have a wealth of local knowledge and experience. However, an Opportunity for Improvement is to work with the Natural Heritage Program and other agencies to gain access to the databases and secure information and to denote the location of species of concern on tract maps to better ensure future protection.			X		
	Standard 9: Wood Fiber Harvest and Other Operations Wood fiber harvests and other forest operations are conducted in accordance with the management plan and with sensitivity to other forest values (e.g., water quality, regeneration, wildlife habitat, biodiversity, special sites, etc.).					
Performance Measure 9.1 Landowners must comply with the management plan described in Standard Three (3).						X

AFF Standard Requirements	Briefly Describe Objective Evidence of Conformance (Documents Reviewed, Sites Inspected, Personnel Interviewed)	Con	Exc	Maj	Min	OFI	
Performance Measure 9.2 Landowners must adhere to all national, state, and local laws and regulations applicable to forest management when conducting forest operations.	Inspection of Management Plans and field observations confirmed that landowners are in compliance with applicable legal requirements.	X					
Indicator 9.2.1 In selecting contractors, landowners seek loggers, foresters and other forest management contractors who have completed recommended training and education programs offered in their respective states.	Interviews indicated that Indiana loggers and consultants do not regularly attend BMP training. An Opportunity for Improvement (OFI) exists to improve logger and consultant training and education programs. The DNR has an opportunity to host training sessions for private professional foresters and loggers.					X	
Indicator 9.2.2 Loggers and contractors conducting wood fiber harvests and other forest management operations carry required Workers Compensation and general liability insurance.	Interviews indicated that contract loggers are required to carry Workers Compensation and liability insurance.	X					

Appendix 3

Group Organization Audit Checklist

APPENDIX 3

GROUP ORGANIZATION AND MANAGER AUDIT FINDING CHECKLIST

Group Organization's Name: Indiana Department of Natural Resources Classified Forest Certified Group

Group Manager's Name: Ms. Brenda Huter

Auditor's Name: Mr. Scott Berg & Fred Hadley

Date: November 30, 2006

NSF-ISR auditors conducting ATFS Group Certification Audits use this Audit Finding Checklist to record and document objective evidence and findings for each of the ATFS requirements for Group Organizations and Managers contained in SOP-01. A narrative description of the objective evidence is provided indicating what documents were reviewed, personnel interviewed, or field sites visited. A check mark (X) is placed in the correct column-indicating Conformance (Con), Exceed the Basic Requirements (Exc), Major Non-conformance (Maj), Minor Non-conformance (Min), and Opportunity for Improvement (OFI). Where a major or minor non-conformance is found, the auditor fully documents the rationale for the nonconformity on a Corrective Action Request (CAR) form.

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
1. The Group Organization <i>must</i> be a legal entity competent to sign agreements with Group Members and to enter into binding contracts with Certification Bodies and others. (Section 3.1)	Inspection of Indiana DNR authorizing statutes documents that the agency is an independent legal entity that can enter into binding contracts with others.	X				
2. The Group Organization <i>must</i> designate a full- or part-time Group Manager(s) that is responsible for overseeing all of the administrative details of ATFS Group Certification. (3.1)	Inspection of the IDNR Organization Chart documents the officials that administer the Classified Forest Certified Group (CFCG) Program. The IDNR has designated the Forest Stewardship Coordinator as the Group Manager that is responsible for administering the Classified Forest Certified Group and the ATFS Group Certification Program.	X				
3. The Group Organization <i>must</i> determine eligibility and membership requirements of the Group. (3.2)	Inspection of Classified Forest & Wildland Procedures Manual contains the eligibility requirements for membership in the CFCG.	X				

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
4. The Group Organization <i>must</i> inform Group Members of any and all fees when they join the Group Organization. (3.3)	Interviews indicated that the IDNR does not intend to charge any fees to join the CFCG. Therefore, this requirement is not applicable (NA).	NA				
5. Prior to Group Certification, prospective ATFS Group Organizations <i>must</i> ensure that their existing members are notified that they are subject to all of the requirements and privileges of membership in the American Tree Farm System. (3.4)	The Indiana DNR intends to notify its existing Classified Forest landowners that they will be subject to the requirements of the American Tree Farm System as required by this section. Landowners involved in the field audits were individually notified requesting their permission to participate in the field audit. A formal newsletter notifying the landowners is scheduled to be sent in late October. However, because the newsletter article had not been sent by the Closing Meeting of the audit, a Minor Non-conformance exists (See CAR # RSB-01).	X				
6. The Group Organization <i>must</i> have an established process for addressing and resolving disputes regarding conformance with the AFF Standards between and among the Group Members and the Group Manager. (3.5)	Inspection of Procedures Manual documents that the DNR has an established process for addressing and resolving disputes regarding the AFF Standards.	X				
7. The Group Organization <i>must</i> make the AFF Standards of Sustainability for Forest Certification of Private Forests accessible to the Group Members so that they understand the requirements. (3.6)	The Indiana DNR has not yet made the AFF Standards of Sustainability for Forest Certification of Private Forests accessible to the Group Members so that they understand the requirements of the AFF Standards as required by this section. A formal newsletter notifying the landowners of how to access the AFF Standards is scheduled to be sent in late October. However, because the newsletter had not been sent by the Closing Meeting of the audit, a Minor Non-conformance exists (See CAR # RSB-01).	X				

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
8. The Group Manager <i>must</i> interpret and appropriately apply the AFF Standards in the context of the Group Organization and be able to clearly explain the requirements to the Group Members. (4.1)	The Indiana DNR has yet not interpreted, applied or clearly explained the requirements of the AFF Standards to the Group Members as required by this Section. A formal newsletter notifying the landowners of how to access the AFF Standards is scheduled to be sent in late October and a meeting of the District Foresters is planned on November 14, 2006. However, because the newsletter had not been sent and the District Forester meeting had not yet taken place by the Closing Meeting of the audit, a Minor Non-conformance exists (See CAR # RSB-01).			X		
9. Group Manager <i>must</i> provide initial information to prospective Group Members regarding the application process and entry into the Group Organization. (4.2)	Inspection of Procedures Manual indicated that prospective new Group Members will be provided with initial information about entry into the CFCG. The prospective Group Members may opt-out of the CFCG.	X				
10. The Group Manager <i>must</i> ensure that each Group Member either has an individual management plan or is covered by a larger group management plan where responsibility for management has been delegated to a resource manager. (4.3)	The Procedures Manual requires all Group Members to have a DNR Approved Forest Stewardship Plan. Wildlands Program lands may not have had forest management plans and would need a management plan if the lands qualify for ATFS Group Certification.	X				
11. The Group Organization <i>must</i> have a procedure defining its application process and a means for ensuring that the applicant and potential lands to be enrolled are eligible and managed in a manner consistent with the AFF Standard. (4.4)	The Procedures Manual contains the procedure defining the application process and means for ensuring the applicant is eligible and the lands are managed consistent with the AFF Standard. An Opportunity for Improvement is for the Procedures Manual to contain a procedure to define the eligibility requirements for Group Certification, in addition to those for entry into the Classified Forest & Wildlands Program.		X			
12. The Group Manager <i>must</i> document the acceptance of new Group Members into the Group Organization. (4.5)	The Indiana DNR has not yet documented the acceptance of new Group Members into the Group Organization as required by this section. Therefore, a Minor Non-conformance exists (See CAR # RSB-02).			X		

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
13. The Group Manager <i>must</i> maintain an electronic or hard copy file on each Group Member. (4.7)	Inspection of tract files and other hard copy forms including the Management Plans demonstrated that files are maintained on each Group Member. Tract files were very complete and exceed the basic requirements of the AFF Standards.	X				
14. The Group Manager <i>must</i> establish a procedure and schedule for conducting ongoing monitoring of the Group Member's conformance with the AFF Standards. (4.9)	The Procedures Manual contains a procedure for monitoring conformance to the AFF Standards as part of re-inspections of each property every five years.	X				
15. Group Managers and/or internal auditors conducting internal monitoring <i>must</i> have completed the ATFS Tree Farm Inspector training course. (4.9)	The majority of the Indiana DNR District Foresters that are assigned to administer the CFCG have completed the ATFS Inspector Training Course. However, interviews indicated that several District Foresters that will be responsible for internal monitoring have not yet completed the ATFS Inspector Training Course. Therefore, a Minor Non-conformance exists (See CAR # RSB-03).	X				
16. The Group Manager <i>must</i> use the AFF Standard Monitoring Checklist (GO-04), or equivalent procedure, to document the monitoring process and to report findings to the individual Group Members. (4.9)	The Procedures Manual and interviews with DNR District Foresters demonstrated that the Indiana DNR has an equivalent procedure for monitoring ongoing conformance with the AFF Standards, and reports findings to the Group Members.	X				
17. Where a non-conformance is identified during ongoing monitoring, the Group Manager <i>must</i> complete the Corrective Action Request (CAR) form (GO-06), or equivalent procedure, and work with the Group Member to complete the section on Corrective Actions. (4.9)	Interviews with DNR District Foresters confirmed that the CFCG Program has an equivalent procedure to work with landowners to implement mandatory practices and take corrective action. Inspection of the re-inspection forms demonstrated that there is a section of the form indicating corrective action to ensure conformance with the AFF Standards (See Section 10 addressing withdrawals).	X				

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
18. The Group Manager <i>must</i> approve the Corrective Action Plans, or equivalent procedures, and the implementation should be monitored as part of the regular schedule. (4.9)	Inspection of the Re-inspection Reports demonstrated that DNR corrective action procedures are equivalent and that corrective actions are monitored to ensure implementation.	X				
19. If the Group Member elects to sell the property for whatever reason, or decides to withdraw from the group, the Group Manager <i>must</i> remove the member from the roster or list of Group Members. (4.10)	Interviews with DNR staff demonstrated that landowners that sell their property, or otherwise withdraw from the CFCG Program, would be removed from the membership lists.	X				
20. The Group Organization <i>must</i> maintain a procedure for expelling the Group Member if they do not meet the requirements of the Standard, and are not willing or able to take appropriate corrective action. (4.10)	The Procedures Manual contains a procedure to expel Group Members from the CFCG if the requirements of the AFF Standard are not met and no corrective action is implemented. (See Procedure 10 addressing withdrawals).	X				
21. The Group Manager <i>must</i> submit the annual reports to the American Tree Farm System by the designated date, and maintain copies of past annual reports on file. (4.12)	Interviews indicated that DNR staff intend to submit the annual report to the ATFS when it is due in January 2007. The Procedures Manual contains a procedure for annual reporting to the ATFS. Because this requirement is not triggered until January 2007, it is not yet applicable.	NA				
22. If a certification audit results in a Corrective Action Request, the Group Manager <i>must</i> coordinate with the Group Organization and/or individual Group Members to develop corrective action plans and work to ensure timely implementation. (4.13)	Interviews indicated that the DNR intends to complete the Corrective Action Plans to fill the Minor Non-conformances identified during the independent audit. The CARs (01-03) are expected to be "Closed" by December 2006.	X				
23. The Group Organization <i>must</i> complete the Application for Group Certification (GO-02) and file it with the ATFS for review and approval. (6.3)	Inspection of the Indiana DNR's application for Group Certification and the ATFS written response demonstrated conformance with this requirement.	X				

SOP-01 Requirements	Briefly Described the Objective Evidence of Conformance (Documents Reviewed, Personnel Interviewed, Sites Visited)	Con	Exc	Maj	Min	OFI
24. The Group Manager <i>must</i> keep the Group Organization's program up-to-date and in ongoing conformance with the AFF Standard. (6.8)	The Procedures Manual contains procedures for conducting periodic program reviews to update the administration of the CFCG administration. An OFI is to clarify in the Procedures Manual how the Group Tree Farm Program is going to be effectively and efficiently implemented at the Indianapolis and district levels in conjunction with other initiatives and special projects.					X
25. After four years of ongoing forest management and continual improvement, the Group Manager should begin preparations for the re-certification audit that <i>must</i> be conducted no later than during the fifth year. (6.8)	Interviews indicated that the Indiana DNR intends to undergo a re-certification audit after five years (2011) as required by the AFF Standard. This requirement is not yet applicable.	NA				

Appendix 4

Corrective Action Request Forms

APPENDIX 4

CORRECTIVE ACTION REQUEST (CAR) FORM

NSF-ISR GROUP CERTIFICATION PROCESS AMERICAN TREE FARM SYSTEM

NSF-ISR Auditors use this form to document any major or minor non-conformances with the AFF Standards or requirements of SOP-01. The Lead Auditor completes Section A. The Group Manager completes Sections B and C with signature and date. The Lead Auditor approves the Corrective Action Plan in Section D and Closes the Corrective Action in Section E.

Group Organization Name: Indiana DNR CFCG Group Manager: Brenda Huter	Date: 10/20/06	CAR #: RSB-01
Lead Auditor: Scott Berg	Major:	Minor: X
<p>A. Describe the Major or Minor Non-Conformance to the specific AFF Standards and Core Performance Measure or SOP-01.</p> <p>The Indiana DNR has not yet notified existing Group Members that they are subject to the requirements of the American Tree Farm System as required by Section 3.4, has not made the AFF Standards of Sustainability for Forest Certification of Private Forests accessible to the Group Members so that they understand the requirements of the AFF Standards as required by Section 3.6, and has not interpreted, applied or clearly explained the requirements of the AFF Standards to the Group Members as required by Section 4.1 of SOP-01.</p>		
Lead Auditor: Scott Berg		Date: 10/20/06
<p>B. Identify the Corrective Action by the Group Organization or Member:</p> <p>Landowner Notification: A special edition of the Classified Forest & Wildlands Newsletter containing basic information regarding AFTS group certification will be sent to landowners by Nov. 1, 2006.</p> <p>Training for District Foresters: An advance copy of the newsletter was sent to the district foresters on Oct. 20, 2006. A follow up “talking points” sheet will be e-mailed by Oct. 27 to the district foresters. At the Section Meeting (Nov. 14), certification training for the staff will occur. Topic to be covered include: AFTS standards and interpretation, program responsibilities, procedures.</p>		
<p>Estimated Completion Date: Nov. 14 Person Responsible: Brenda Huter</p>		
<p>C. Identify the Root Cause of the Non-Conformance: N/A</p>		
<p>Identify Preventive Action to ensure that the Non-Conformance does not recur.</p>		
Completion Date	Person Responsible	

D. Corrective Action Plan Approved: (Comments)

Lead Auditor Signature: R. Scott Berg Date: 11/30/06

E. Corrective Action Closed:

Lead Auditor Signature: R. Scott Berg Date: 11/30/06

CORRECTIVE ACTION REQUEST (CAR) FORM

NSF-ISR GROUP CERTIFICATION PROCESS AMERICAN TREE FARM SYSTEM

NSF-ISR Auditors use this form to document any major or minor non-conformances with the AFF Standards or requirements of SOP-01. The Lead Auditor completes Section A. The Group Member or Group Manager completes Sections B and C with signature and date. The Lead Auditor approves the Corrective Action Plan in Section D and Closes the Corrective Action in Section E.

Group Organization Name: Indiana DNR CFCG Group Manager: Brenda Huter		Date: 10/20/06	CAR #: RSB-02		
Lead Auditor: Scott Berg		Major:	Minor: X		
<p>C. Describe the Major or Minor Non-Conformance to the specific AFF Standards and Core Performance Measure or SOP-01.</p> <p>The Indiana DNR has not yet documented the acceptance of new Group Members into the CFCG Program as required by Section 4.5 of SOP-01.</p>					
Lead Auditor: R. Scott Berg		Date: 10/20/06			
<p>D. Identify the Corrective Action by the Group Organization or Member: Classified Forest & Wildlands Newsletter will be mailed to landowners by Nov. 1. Contained in the newsletter is information regarding AFTS group certification and Request for Departure form. Landowners not wanting to be included in the group certification are to return their departure form by Nov. 15. A final list of group members will be complete by December 15, 2006.</p>					
<p>E. Estimated Completion Date: 12/15/06 Person Responsible: Brenda Huter</p> <p>C. Identify the Root Cause of the Non-Conformance:</p> <p>Identify Preventive Action to ensure that the Non-Conformance does not recur. NA</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Completion Date</td> <td style="width: 40%; padding: 5px;">Person Responsible</td> </tr> </table>				Completion Date	Person Responsible
Completion Date	Person Responsible				
<p>F. Corrective Action Plan Approved: (Comments)</p>					
Lead Auditor Signature: R. Scott Berg		Date: 11/30/06			
<p>G. Corrective Action Closed:</p> <p>Lead Auditor Signature: _____ Date: _____</p>					

CORRECTIVE ACTION REQUEST (CAR) FORM

NSF-ISR GROUP CERTIFICATION PROCESS AMERICAN TREE FARM SYSTEM

NSF-ISR Auditors use this form to document any major or minor non-conformances with the AFF Standards or requirements of SOP-01. The Lead Auditor completes Section A. The Group Member or Group Manager completes Sections B and C with signature and date. The Lead Auditor approves the Corrective Action Plan in Section D and Closes the Corrective Action in Section E.

Group Organization Name: Indiana DNR CFCG Group Manager: Brenda Huter		Date: 10/20/06	CAR #: RSB-03
Lead Auditor: Scott Berg		Major:	Minor: X
<p>E. Describe the Major or Minor Non-Conformance to the specific AFF Standards and Core Performance Measure or SOP-01.</p> <p>Not all Indiana DNR District Foresters conducting internal monitoring have completed the ATFS Tree Farm Inspector training course as required by Section 4.9 of SOP-01.</p>			
Lead Auditor: Scott Berg		Date: 10/20/06	
<p>F. Identify the Corrective Action by the Group Organization or Member:</p> <p>A list of current AFTS inspectors was requested from the national office via Scott Berg. An official follow-up request was made to Liz Sanders via e-mail on 10/23/06. All District Foresters not currently an inspector will attend an ATFS training taught by in-house AFTS trained facilitators by December 31, 2006</p>			
<p>Estimated Completion Date: Dec. 31, 2006 Person Responsible: Dan Ernst</p>			
<p>C. Identify the Root Cause of the Non-Conformance:</p> <p>Four new employees were hired in the last 3 months.</p>			
<p>Identify Preventive Action to ensure that the Non-Conformance does not recur. All new district foresters will take AFTS inspector training during their staff orientation period.</p>			
<p>Completion Date Dec. 31, 2006 Person Responsible: Dan Ernst</p>			
<p>H. Corrective Action Plan Approved: (Comments)</p>			
Lead Auditor Signature: R. Scott Berg		Date: 11/30/06	
<p>I. Corrective Action Closed:</p>			
Lead Auditor Signature:		Date:	